

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 264175

63

ORIGIN EB-07

INFO OCT-01 EUR-12 IO-10 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 TAR-01

TRSE-00 PRS-01 SP-02 OMB-01 FEA-01 STR-04 USIE-00

INRE-00 NSCE-00 SSO-00 /097 R

DRAFTED BY EB/OT/GCP:RTBANQUE:LPP

APPROVED BY EB:TOENDERS

COMMERCE:RWFRANCIS(DRAFT)

STR:SLANDE

AGRICULTURE:KREYNOLDS(INFO)

LABOR:JCOYLE(INFO)

TREASURY:AGAULT(INFO)

EUR/RPE:ECASEY(INFO)

EUR/WE:EROWELLS

EB/OT:CWSCHMIDT

----- 037150

O R 070230Z NOV 75

FM SECSTATE WASHDC

TO AMEMBASSY MADRID IMMEDIATE

INFO USMISSION EC BRUSSELS

USMISSION GENEVA

USDEL MTN GENEVA

LIMITED OFFICIAL USE STATE 264175

E.O. 11652:N/A

TAGS: ETRD, SP

SUBJECT: SPAIN AND GSP

REF: (A) MADRID 7732; (B) STATE 260944

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 264175

1. THE EMBASSY HAS CORRECTLY DISCOUNTED THE SIGNIFICANCE OF ANY NOVEMBER 15 "DEADLINE". RECOMMENDATION CONCERNING ADDITIONAL COUNTRIES TO BE DESIGNATED AS GSP BENEFICIARIES HAS NOW BEEN SENT TO THE WHITE HOUSE. ALTHOUGH WE ARE UNCERTAIN WHEN DECISIONS AND PUBLIC ANNOUNCEMENT WILL BE MADE, WE ARE STILL HOPEFUL EXECUTIVE ORDER WILL BE SIGNED BY MID-NOVEMBER. HOWEVER, IT IS SIMPLY NOT REALISTIC TO EXPECT SPAIN TO BE IN THAT GROUP. WE DO NOT NOW FORESEE THAT A SEPARATE DESIGNATION OF SPAIN IN DECEMBER WOULD POSE PROBLEMS WITH CONGRESS OR ELSEWHERE. WE CANNOT, OF COURSE, JUDGE THE IMPACT IN SPAIN OF SPAIN'S ABSENCE FROM THE NEXT LIST OF BENEFICIARIES.

2. EMILIO BARCIA (COMMERCIAL COUNSELOR, SPANISH EMBASSY) CALLED DEPTOFF AND CONVEYED FOLLOWING AS REPORT OF CONVERSATION BETWEEN EMBASSY MADRID ECONOMIC COUNSELOR AND MINISTRY OF FOREIGN AFFAIRS OFFICIAL:

A. GOS IS READY TO LOWER MFN TARIFF SO THAT 35 OF 62 TARIFF ITEMS ON U.S. PRODUCT LIST WILL MEET USG FIVE PERCENTAGE POINT PROPOSAL.

B. FIVE TARIFF ITEMS REMAIN UNDER CONSIDERATION. NO INDICATION OF WHEN DECISION MAY BE EXPECTED.

C. FOR TEN TARIFF LINE ITEMS GOS BELIEVES THAT THERE IS NO SIGNIFICANT ADVERSE EFFECT ON U.S. EXPORTS. (DEPTOFF COMMENTED THAT IF U.S. EXPORTS ENTERED SPAIN UNDER SPECIAL TARIFF PROVISIONS ON WHICH THERE WERE NO EXISTING PREFERENCES, THE POINT WOULD BE OF INTEREST.)

D. GOS HAD CONCLUDED THAT TARIFF REDUCTIONS WOULD BE IMPOSSIBLE ON TWELVE TARIFF ITEMS.

E. TAKING INTO CONSIDERATION PARA 2A OFFER, PERCENTAGE OF U.S. EXPORTS SUFFERING SIGNIFICANT ADVERSE EFFECT FALLS FROM 7.4 PERCENT TO LESS THAN TWO PERCENT.

F. RE THE GOS COMMITMENT AFTER RENEGOTIATION WITH THE EC: GOS CANNOT PROMISE ANYTHING ON THE BASIS OF EVENTS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 264175

WHICH WILL OCCUR IN THE FUTURE. IF GOS AND EC RESUME NEGOTIATIONS AND IF THE NEGOTIATIONS ACHIEVE A SUCCESSFUL CONCLUSION, THE GOS WILL REEXAMINE THE SITUATION WITH RESPECT TO U.S. EXPORTS. (DEPTOFF COMMENTED THAT GOS ASSURANCES REGARDING FUTURE ARE AS IMPORTANT, IF NO MORE IMPORTANT, THAN OTHER ASPECTS OF GOS COMMITMENT.)

G. GOS HAS TAKEN INTO ACCOUNT WISHES OF USG AND HOPES

TO MEET AS SOON AS POSSIBLE.

3. DEPT UNDERSTANDS VIA GOODSPEED/ROWELLS TELCON THAT EMBASSY IS REPORTING PARA 2 CONVERSATION. IF THERE IS ANY DISCREPANCY BETWEEN PARA 2 AND EMBASSY REPORT, REQUEST EMBASSY VERIFY GOS POSITION AND REPORT. IN THIS REGARD WE NOTE THAT BARCIA REFERRED IN PARA 2A TO U.S. PROPOSAL, I.E., FIVE PERCENTAGE POINT DIFFERENCE BETWEEN MFN AND EC RATES OR LESS. WE FURTHER NOTE THAT BARCIA DID NOT MENTION A STANDSTILL ON THE SPREAD BETWEEN THE MFN AND EC RATES. THE LATTER POINT IS SIGNIFICANT TO CLARIFY GOS INTENTIONS REGARDING 1977 REDUCTIONS TO EC.

4. WASHINGTON AGENCIES NOW BELIEVE RESUMPTION OF CONSULTATION WOULD BE USEFUL TO EXAMINE GOS PROPOSALS IN DETAIL AND TO PROVIDE USG RESPONSE. NOVEMBER 10 THRU 12 OR ANY OTHER DAYS DURING THAT WEEK WOULD BE ACCEPTABLE.

5. EARLIER THIS WEEK THE SPANISH EMBASSY IN WASHINGTON ASKED FOR APPOINTMENTS ON BEHALF OF MINISTER CERON TO SEE AMBASSADOR DENT AND SECRETARY MORTON ON NOVEMBER 10 OR 11. THE EMBASSY SAID THAT THE CALLS WOULD BE "IN PARALLEL" WITH THE GSP CONSULTATIONS, BUT MINISTER CERON WOULD COME WHETHER OR NOT CONSULTATIONS ARE SCHEDULED FOR NOVEMBER 10. NO OTHER SUBJECT FOR THE CALLS WERE MENTIONED. THE EMBASSY CALLED AGAIN ON NOVEMBER 6 SAYING THAT CERON'S VISIT WAS CANCELLED AND THUS CANCELLED REQUESTS FOR APPOINTMENTS. EMBASSY'S VIEWS ON POSSIBLE ROLE OF CERON WOULD BE APPRECIATED. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PREFERENTIAL TARIFFS, TARIFF NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE264175
Document Source: CORE
Document Unique ID: 00
Drafter: RTBANQUE:LPP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750386-1124
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751167/aaaachwo.tel
Line Count: 144
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 MADRID 7732, 75 STATE 260944
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 29 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 APR 2003 by BoyleJA>; APPROVED <31 OCT 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SPAIN AND GSP
TAGS: ETRD, SP, US
To: MADRID
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006